



County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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November 26, 2013

To: Supervisor Mark Ridley-Thomas, Chairman
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From: Philip L. Browning, Director

**RESTRUCTURING THE DEPARTMENT OF CHILDREN AND FAMILY SERVICES'
CONTRACT MONITORING UNIT**

On October 8, 2013, the Board directed the Department of Children and Family Services (DCFS) to submit a plan, including a timeframe on how the Department will revamp its Contract Monitoring unit with details regarding DCFS' communication with the State.

Current Organizational Structure

In April 2013, as part of the Department's Strategic Plan, the Department of Children and Family Services (DCFS) underwent a Department-wide reorganization. One key component of the reorganization was the development of the Bureau of Contract Services, which aligned the program service divisions under the same Bureau with the contract administration and monitoring division. The intent is to streamline internal communication and oversight, enhance efficient collaboration across the administrative and management continuum in the department's contracting and monitoring processes.

The Bureau of Contract Services consists of the Out-of-Home Care Management Division; Community-Based Support Division; Youth Development Services Division; Procurement; and the Contracts Administration and Contracts Monitoring Divisions (Attachment I). The Bureau, consisting of 322 staff, oversees and assures the quality of child welfare programs and supportive services which are administered through 444 DCFS contracts (consisting of 38 categories), worth over \$550 million. Bureau staff execute their responsibilities by conducting annual contract compliance reviews; and investigating alleged child abuse and neglect in contracted placement facilities. Annual fiscal monitoring reviews are new functions to be conducted through the hiring of newly approved staff. Of the 444 contracts, 46 are for Foster Family Agency (FFA) services, with a maximum contract amount (MCA) of \$165,629,860; 73 are for Group Home (GH) services, with a MCA of \$228,692,124; and 2 are for Community

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Treatment Facility (CTF) services, with a MCA of \$1,141,500. The MCA for the remaining 35 Contract Categories is highlighted in the chart below:

Name of Program/Service	MCA
AB1733/2994 (CAPIT)	\$2,532,735
Academic Remediation Services	\$1,300,00
Adoption Promotion and Support Services	\$1,491,759
Alternative Community Based Preschool Services	\$50,000
Case Files Records Management	\$372,900
Child Abuse Prevention and Early Intervention Program for Developmentally Disabled	\$200,000
Child Care Staffing Services	\$1,984,969
Diligent Recruitment of Families for Children in Foster Care System	\$231,095
Education Consultant	\$1,008,000
Emergency Shelter Care	\$101,600
Faith Based Resource Parent (Foster and Adoptive Recruitment Services)	\$170,122
Family Preservation	\$14,853,364
Family Support	\$1,650,528
Family Visitation/Safe Child Custody Exchange	\$449,600
Food Services	\$220,390
Foster Family Agency - Emergency Shelter Care (FFA-ESC)	\$43,560
IBM MAC and CAD Services for CWS/CMS	\$150,000
Independent Living Program/Transitional Housing	\$2,010,376
Incarcerated Parents Project	\$68,786
Intensive Treatment Foster Care –Foster Family Agency	\$18,015,468
Intensive Treatment Foster Care –Multi-dimensional Treatment Foster Family Agency	\$2,009,160
Newspaper Publication	\$ 65,000
Preparation and Support for Families Adopting Children with Special Needs	\$ 275,000
Prevention Initiative Demonstration Project (PIDP)	\$2,500,070
PS-MAPP	\$1,003,134
Residentially Based Services (RBS)	\$6,361,056
Safe Measures-Subscription/Structured Decision Making Support	\$ 164,438
THP-Plus for Emancipated Foster/Probation Youth	\$ 2,165,106
Training (Interuniversity Consortium)	\$ 8,309,000
Transitional Housing (THPP)	\$1,661,760
Transitional Housing for Pregnant and Parenting Youth (THPPY-GHG)	\$ 200,000
Urine Sample Collection, Drug/Alcohol Testing	\$1,540,000
Wraparound	\$86,764,304
Wraparound Approach Services RBS Community	\$1,958,112
Youth Development Services (YDS)	\$1,846,414
Total	\$162,427,806

Since April 2009, DCFS and Probation assumed GH monitoring functions from the Auditor-Controller (A-C). In March 2011, DCFS assumed FFA monitoring functions. DCFS and Probation developed a standardized annual monitoring tool to evaluate placement facilities; and established an annual programmatic compliance protocol to the Board of Supervisors.

The DCFS Out-of-Home Care Management Division's Performance Monitoring Section consists of 14 staff responsible for conducting annual on-site compliance reviews of FFAs and GHs;

and 4 staff responsible to re-evaluate State-licensed foster homes. Through annual reviews, the Department determines whether contractors continue to meet the requirements set forth in Foster Care Placement Agreements; Statements of Work; and DCFS policies. Staff assess the services that contractors are providing DCFS-placed children for quality care and services in a safe environment, holding contractors accountable to State licensing regulations (i.e., the California Department of Social Services' Community Care Licensing (CCL) Division Title 22 Regulations). In the event staff identify non-safety-related (physical plant or documentation) deficiencies, they require corrective action. In the event staff identify safety-related deficiencies, they require and verify immediate correction. Agencies with a significant number of findings are monitored more frequently, such as biannually, quarterly or monthly, depending on findings. In the event staff identify findings of substandard care, recurrent findings, or failure to implement previously requested corrective action then staff impose progressive action such as placing a "Hold" status on the agency, suspending, or prohibiting future child placements, or recommending termination of the contract.

The DCFS Out-of-Home Care Management Division's Out-of-Home Care Investigations Section consists of 16 staff responsible for investigating alleged child abuse and neglect in FFA-certified foster homes; State-licensed Foster Homes; and Group Homes. These investigations provide an additional level of safety oversight by supplementing the Department's Emergency Response investigations conducted by the Regional Emergency Response line staff. The additional focus of Out-of-Home Care investigations is determining whether or not the Department should continue to place children in the foster home or group home, supporting an expeditious identification of allegation and incident patterns more frequently than annual reviews; and verification of sustained corrective actions previously taken by the subject facility.

The Out-of-Home Care Management Division maintains ongoing communication with the California Community Care Licensing Division. These communications involve verifying the licensing statuses of FFA and GH facilities – whether in good standing; suspended or revoked; and with the California Department of Social Services Rate Division to verify reductions or terminations, if any, in agency Rate Classification Levels (RCL). To further improve the quality of these vital communications that potentially impact child safety, I initiated a plan with Acting California Community Care Licensing Division Director David Dodds for a future co-location of the DCFS Out-of-Home Care Management Division with one of the three existing State Community Care Licensing Offices located in Los Angeles County. The plan involves identifying a new office location with adequate space to house and meet the operational needs of both government entities.

On April 30, 2013, the Board of Supervisors approved a motion directing strengthened oversight of County-contracted Foster Family Agencies (FFA) and Group Homes (GH). The Chief Executive Officer was instructed to propose additional FFA and GH monitoring positions for Board consideration. To immediately comply with the Board's April 2013 motion, the Department implemented the following changes and strategies to enhance its FFA and GH compliance monitoring ability as follows:

- Identified and redirected 15 existing positions to establish a Contract Monitoring Section;
- Identified the need for an additional 7 fiscal monitoring positions to further augment the Program/Contract monitoring staff, enabling contract reviews and the provision of technical assistance to support the 444 Department contracts;
- Received Board approval for the 7 positions to expand its Out-of-Home Care Investigations Section to also conduct secondary investigations to include Group Homes and Licensed Foster Homes since the prior existing staffing resources only allowed for secondary investigations of FFA certified homes; and
- Analyzed and recommended the feasibility of the Auditor-Controller increasing the frequency of fiscal audits it performs, aligning them with the Department's program reviews.

On October 8, 2013, during the Board's FY 2013-14 supplemental budget deliberations, the Board approved 17 additional positions for the DCFS Contract Monitoring Section to assess the financial viability of contracted agencies and provide a new level of fiscal oversight not previously conducted by the Department. The Department is in the process of hiring the seven (7) Financial Specialist IV (FS IV) staff, who will conduct annual financial reviews of contracted placement agencies. The remaining 10 positions were used to create a monitoring unit to conduct annual quality assurance reviews and provide supervision of the newly created units.

With these 17 new positions, the Contract Monitoring Section now includes a total of 30 staff responsible for contract compliance and fiscal reviews (please see Attachment II). The Department projects hiring all 30 staff no later than December 15, 2013. In the first year of implementation, each of the newly-hired FS IVs will be tasked with conducting between 16 and 17 fiscal reviews of the Department's existing 121 GH and FFA contracts, as follows:

- Performing fiscal reviews of contractor's accounting procedures, including financial systems and records;
- Assessing the contractor's compliance with fiscal guidelines, in accordance with the County's Fiscal Manual and State/federal guidelines;
- Evaluating fiscal review findings for concerns that warrant further review;
- Preparing financial review reports and developing Fiscal Corrective Action Plans (FCAP);
- Working with contractors to monitor compliance of accounting procedures;
- Conducting entrance and exit conferences with the contractors, including agency Treasurers or Chief Financial Officers; and
- Reviewing for contract compliance the contractors' fixed assets, cost allocation for shared cost per program, payroll and non-payroll expenditures, and cash expenses.

In the event the Department identifies concerns posing a financial risk to an agency's operational viability, the Department will continue to refer such agencies to the A-C for a thorough and comprehensive financial audit. Through a Departmental Service Order, the A-C

conducts fiscal audits on placement contractors (FFA, GH, Community Treatment facilities, Residentially-Based Services, Intensive Treatment Foster Care), as well as, Wraparound and Family Preservation contracts. The A-C completes 10 to 12 annual audit reviews of FFA and GH contracts.

In addition to the fiscal reviews that will be conducted by the FS IVs, quality assurance reviews will also be conducted by Children Services Administrators (CSAs) in the Contract Monitoring Section. Two units of CSAs were created at the time of the Department's reorganization, and a third unit was augmented with approval of the 17 approved items in October. The three units consist of 18 CSAs, and each CSA will be tasked with conducting site visits and performing program compliance reviews. Each CSA will review up to 25 contracts annually, assigned based on complexity and level of funding. The staff will assess agency compliance with Statement of Work (SOW) and contract requirements, as follows:

- The number staff assigned to certain positions;
- Background checks;
- Staff educational background/training;
- Service deliverables;
- Insurance verification;
- Licensure/Contract requirements;
- Maintenance of required documentation and service delivery;
- Analyses of findings to identify trends and patterns;
- Child/parent contacts;
- Policy Reviews: Confidentiality, Non-Discrimination, and Discipline;
- Personnel records; and
- Implementation of previous corrective action plans.

Prior to awarding new contracts, the Contract Administration Division staff and Contract Monitoring staff will continue to monitor the Federal System Award Management website to ensure that debarred contractors are not considered for new contract awards. Also, staff review the Contract Alert Reporting Database (CARD) system before considering a new contract award.

Proposed Expansion of the DCFS Contract Monitoring Section

Recognizing that child safety may be directly correlated with an agency's fiscal health, it would be optimal to review all 444 contracts on an annual basis. In order to accomplish this, the Department would need to double the size of the Contract Monitoring Section, from 30 to 60 staff. The doubling of existing staff would support the establishment of two additional fiscal monitoring units as outlined in the third organizational chart (Attachment III-Proposed Contract Monitoring Section).

Doubling the monitoring section from 30 staff to 60 staff would require an Administrative Services Division Manager; one additional Administrative Services Manager III; two

Administrative Service Manager IIs; and 3 Children's Services Administrators to supervise an additional 15 FS IVs. Unfortunately, the exiting 7 FS IVs cannot effectively conduct annual fiscal reviews on all 444 DCFS contracts. Doing so would imply caseloads of 64 contracts per fiscal monitoring staff; and 25 contracts per program monitoring staff. The proposed increase of fiscal monitoring staff will enable the reduction of caseloads to 21 contracts for each type of contract monitor – both fiscal and program.

Since no support staff were approved for the existing contract monitoring unit their staff will be requested in the next budget. In researching how other County Departments have structured their monitoring unit, we found that the Department of Public Health (DPH) and Department of Health Services have a separate Division Manager/Chief who oversees the monitoring division and these functions are kept separate from contract development and administration. A recent Countywide survey conducted in September 2013 by the Auditor-Controller's Office to determine the number of staff assigned to contract monitoring units revealed that there are 3 Departments with large monitoring divisions – the Department of Public Health with 34 staff; the Department of Public Social Services with 74 staff; and the Department of Internal Services with 51 staff.

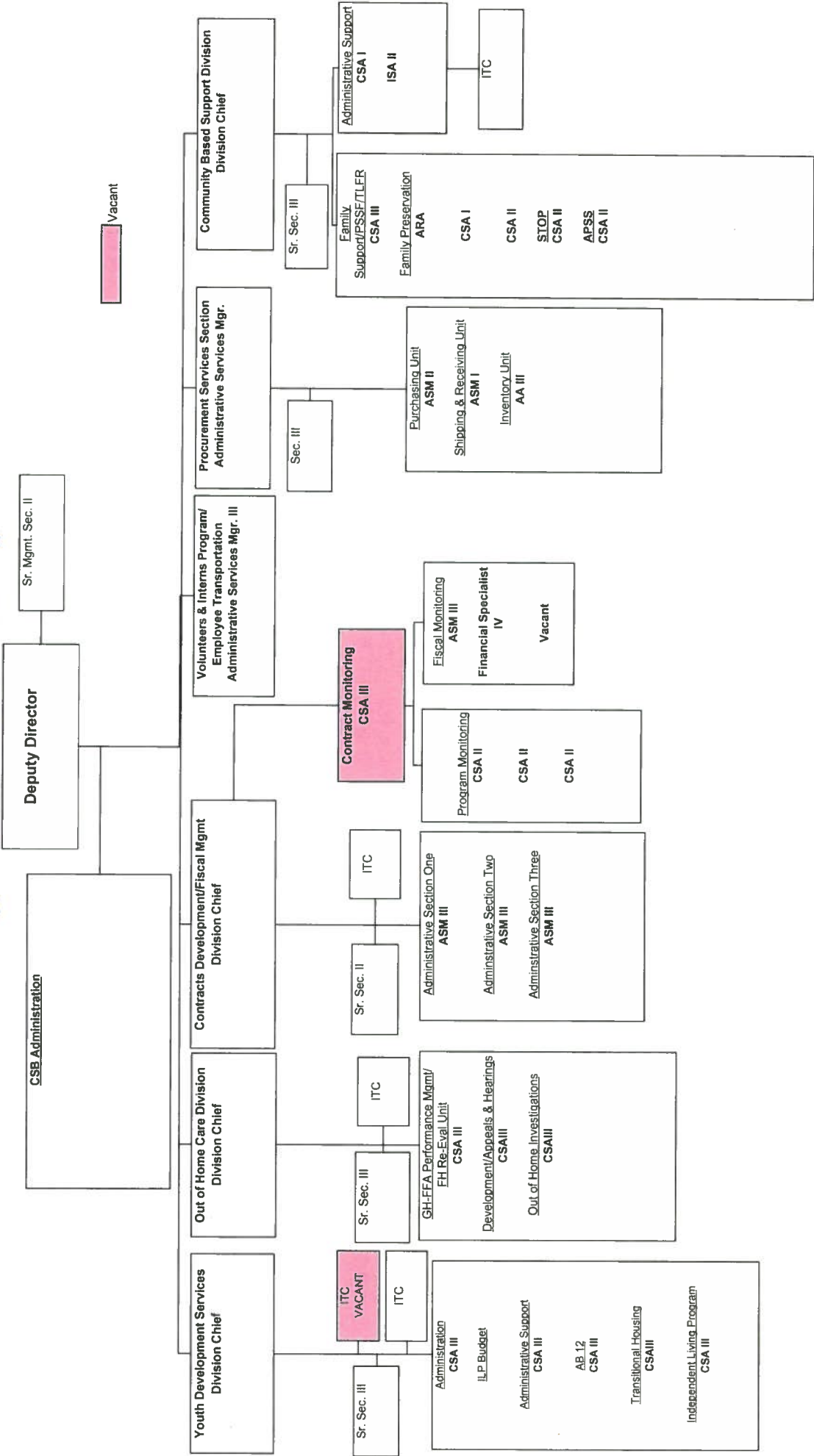
The Department is confident that with 30 additional staff, it can effectively restructure the monitoring section, similar to the organizational structure implemented by other County Departments who perform similar monitoring functions. Attachment IV shows the costs of augmenting the staff from 30 to 60. The doubling of staff in the new monitoring section would further enhance the increased oversight of the 444 contracts through annual contract compliance reviews, annual fiscal monitoring reviews, and on-going investigations of placement facilities and agency on-site visits. With a Division of 60 staff, contract oversight with every contracted agency would enable staff to identify issues of concern sooner and work with agencies on resolutions that ensure full contract compliance.

If you have any questions, please feel free to contact me, or your staff may also contact Aldo Marin, Manager, DCFS Board Relations Section, at (213) 351-5530.

PLB:CMM
EM:LTI:KR

Enclosures

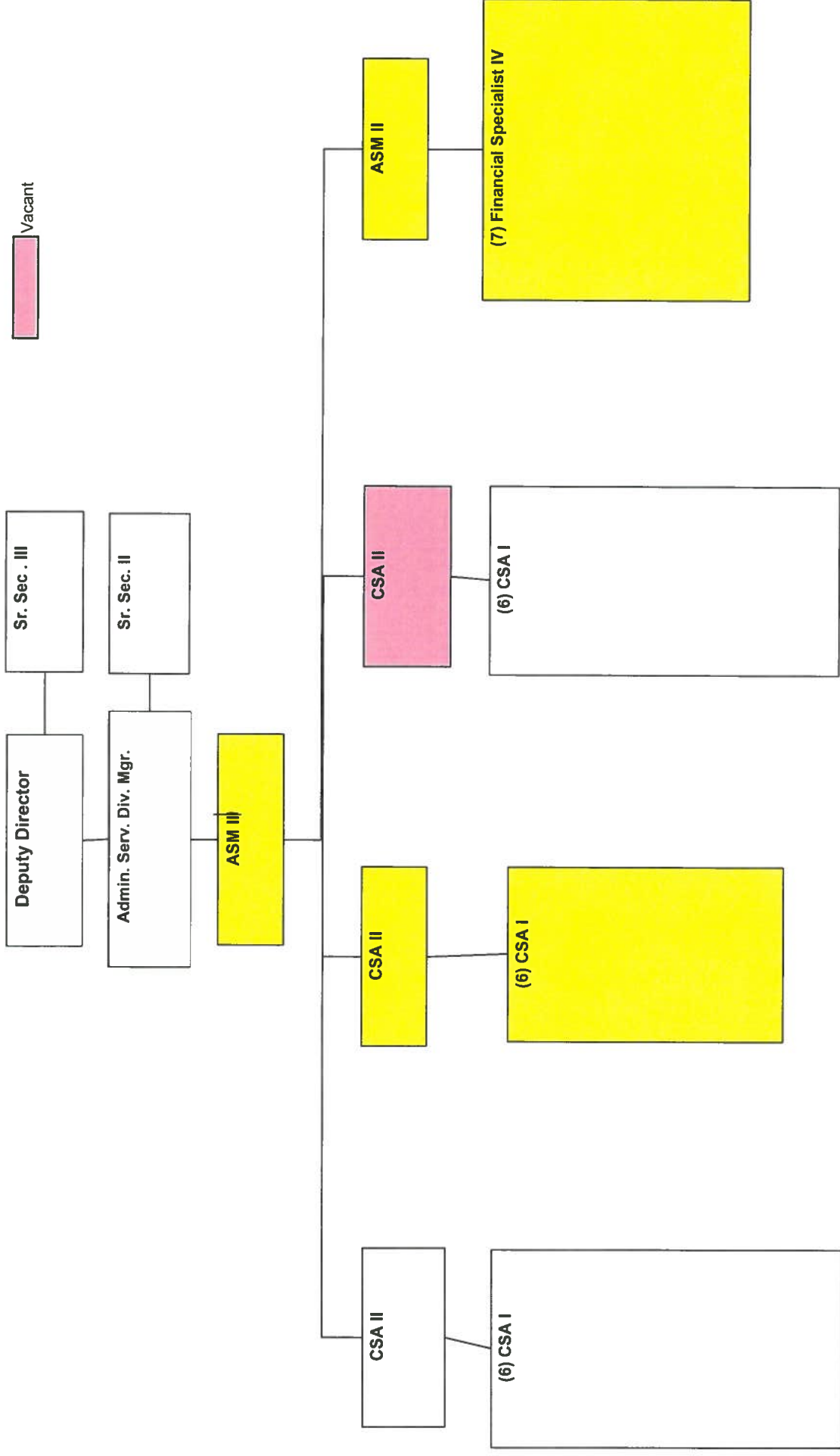
CONTRACT SERVICES BUREAU



CONTRACT MONITORING SECTION (26221)

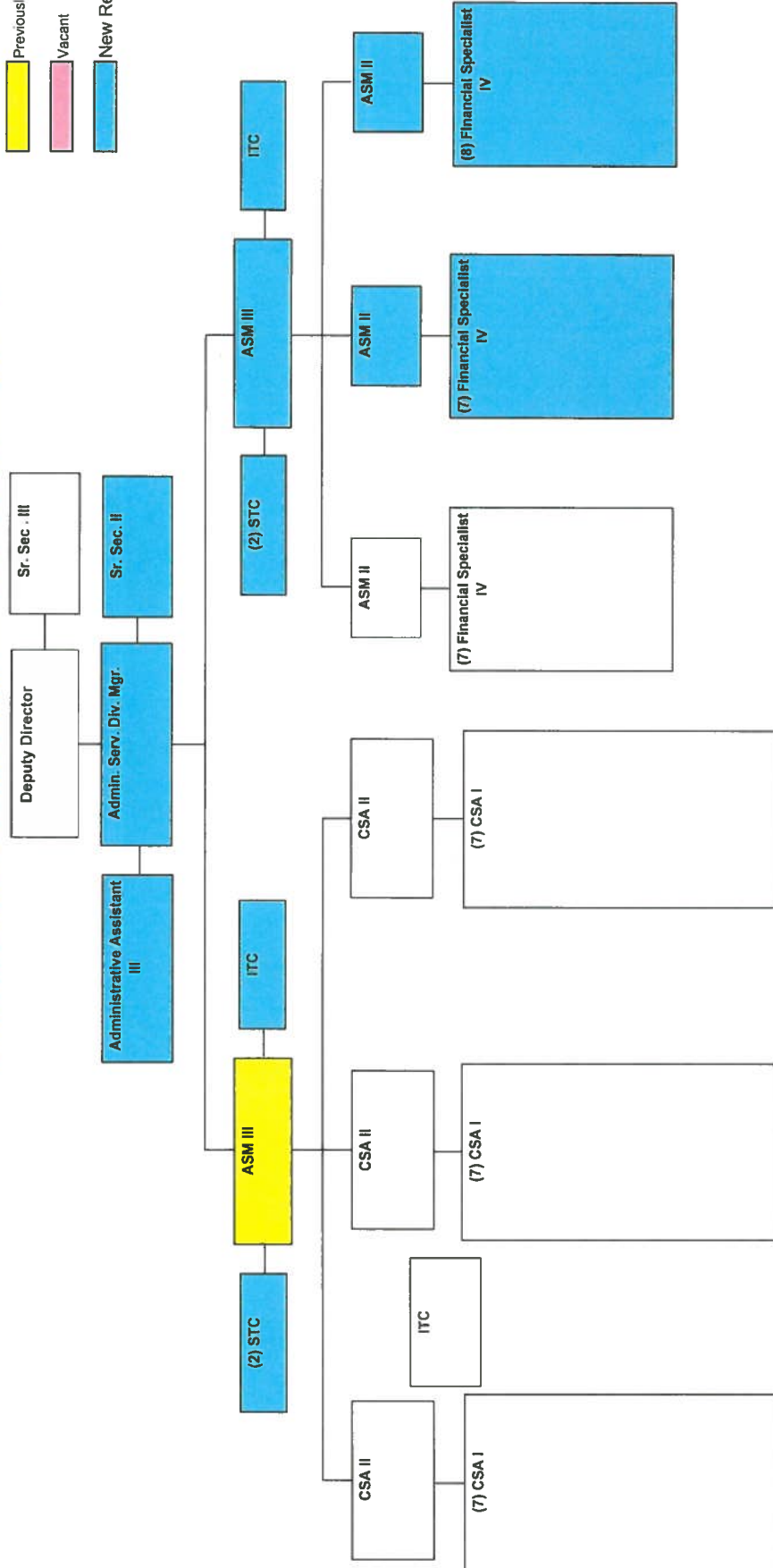
Approved

Vacant



* On-loan Wraparound staff returned from CAPP

PROPOSED CONTRACT MONITORING SECTION (26221)



COMPLIANCE SECTION

FISCAL REVIEW SECTION

FY 2014-15 FULLY LOADED COST PROJECTION - CONTRACT MONITORING SECTION

ITEM CODE	ITEM	FTE	ANNUAL TOTAL S&EB COST	OPERATING COST		ANNUAL FULLY LOADED COST
				ONE-TIME	ON-GOING	
9114A	DEP DIR, CHILDREN & FAMILY SERVS	1.0	\$211,651.95	\$0.00	\$9,934.00	\$221,585.95
1007A	ADMIN. SVS. DIVISION MANAGER	1.0	\$196,886.38	\$0.00	\$9,934.00	\$206,820.38
2101A	SENIOR SECRETARY II	1.0	\$83,323.10	\$0.00	\$9,934.00	\$93,257.10
2102A	SENIOR SECRETARY III	1.0	\$87,248.24	\$0.00	\$9,934.00	\$97,182.24
1004A	ADMINISTRATIVE SERVICES MGR III	1.0	\$171,406.54	\$0.00	\$9,934.00	\$181,340.54
9087A	CHILDREN SERVICES ADMIN II	3.0	\$424,276.77	\$0.00	\$29,802.00	\$454,078.77
1003A	ADMINISTRATIVE SERVICES MGR II	1.0	\$131,025.66	\$0.00	\$9,934.00	\$140,959.66
9086A	CHILDREN SERVICES ADMIN I	18.0	\$2,376,058.73	\$0.00	\$178,812.00	\$2,554,870.73
0750A	FINANCE SPECIALIST IV	7.0	\$812,804.68	\$0.00	\$69,538.00	\$882,342.68
GRAND TOTAL			\$4,494,682.05	\$0.00	\$337,756.00	\$4,832,438.05

FY 2014-15 FULLY LOADED COST PROJECTION - PROPOSED CONTRACT MONITORING SECTION

ITEM CODE	ITEM	FTE	ANNUAL TOTAL S&EB COST	OPERATING COST		ANNUAL FULLY LOADED COST
				ONE-TIME	ON-GOING	
9114A	DEP DIR, CHILDREN & FAMILY SERVS	1.0	\$211,651.95	\$0.00	\$9,934.00	\$221,585.95
2102A	SENIOR SECRETARY III	1.0	\$87,248.24	\$0.00	\$9,934.00	\$97,182.24
1007A	ADMIN. SVS. DIVISION MANAGER	1.0	\$196,886.38	\$0.00	\$9,934.00	\$206,820.38
2101A	SENIOR SECRETARY II	1.0	\$83,323.10	\$0.00	\$9,934.00	\$93,257.10
1004A	ADMINISTRATIVE SERVICES MGR III	1.0	\$171,406.54	\$0.00	\$9,934.00	\$181,340.54
9087A	CHILDREN SERVICES ADMIN II	3.0	\$424,276.77	\$0.00	\$29,802.00	\$454,078.77
9086A	CHILDREN SERVICES ADMIN I	21.0	\$2,772,068.52	\$0.00	\$208,614.00	\$2,980,682.52
1003A	ADMINISTRATIVE SERVICES MGR II	1.0	\$131,025.66	\$0.00	\$9,934.00	\$140,959.66
0750A	FINANCE SPECIALIST IV	7.0	\$812,804.68	\$0.00	\$69,538.00	\$882,342.68
2214A	INTERMEDIATE TYPIST-CLERK	1.0	\$67,812.14	\$0.00	\$9,934.00	\$77,746.14
0889A	ADMINISTRATIVE ASSISTANT III	1.0	\$105,548.32	\$4,180.00	\$9,934.00	\$119,662.32
2214A	INTERMEDIATE TYPIST-CLERK	2.0	\$135,624.29	\$8,360.00	\$19,868.00	\$163,852.29
2216A	SENIOR TYPIST-CLERK	4.0	\$294,842.93	\$16,720.00	\$39,736.00	\$351,298.93
1004A	ADMINISTRATIVE SERVICES MGR III	1.0	\$171,406.54	\$4,180.00	\$9,934.00	\$185,520.54
1003A	ADMINISTRATIVE SERVICES MGR II	2.0	\$262,051.32	\$8,360.00	\$19,868.00	\$290,279.32
0750A	FINANCE SPECIALIST IV	15.0	\$1,741,724.32	\$62,700.00	\$149,010.00	\$1,953,434.32
GRAND TOTAL			\$7,669,701.70	\$104,500.00	\$625,842.00	\$8,400,043.70